

By: Watson, et al.

S.B. No. 529

A BILL TO BE ENTITLED

AN ACT

relating to the clean school bus program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (a), Section 386.252, Health and Safety Code, as amended by Section 3, Chapter 766, Section 3, Chapter 1095, and Section 11, Chapter 1125, Acts of the 79th Legislature, Regular Session, 2005, is reenacted and amended to read as follows:

(a) Money in the fund may be used only to implement and administer programs established under the plan and shall be allocated as follows:

(1) for the diesel emissions reduction incentive program, 87.5 percent of the money in the fund, of which ~~not more than four percent may be used for the clean school bus program and~~ not more than 10 percent may be used for on-road diesel purchase or lease incentives;

(2) for the new technology research and development program, 9.5 percent of the money in the fund, of which up to \$250,000 is allocated for administration, up to \$200,000 is allocated for a health effects study, \$500,000 is to be deposited in the state treasury to the credit of the clean air account created under Section 382.0622 to supplement funding for air quality planning activities in affected counties, not less than 20 percent is to be allocated each year to support research related to air

1 quality for the Houston-Galveston-Brazoria and Dallas-Fort Worth  
2 nonattainment areas by a nonprofit organization based in Houston of  
3 which \$216,000 each year shall be contracted to the Energy Systems  
4 Laboratory at the Texas Engineering Experiment Station for the  
5 development and annual calculation of creditable statewide  
6 emissions reductions obtained through wind and other renewable  
7 energy resources for the State Implementation Plan, and the balance  
8 is to be allocated each year to that nonprofit organization based in  
9 Houston to be used to implement and administer the new technology  
10 research and development program under a contract with the  
11 commission for the purpose of identifying, testing, and evaluating  
12 new emissions-reducing technologies with potential for  
13 commercialization in this state and to facilitate their  
14 certification or verification; and

15 (3) for administrative costs incurred by the  
16 commission and the laboratory, three percent of the money in the  
17 fund.

18 SECTION 2. Effective September 1, 2008, Subsection (a),  
19 Section 386.252, Health and Safety Code, as amended by Section 3,  
20 Chapter 766, Section 3, Chapter 1095, and Section 12, Chapter 1125,  
21 Acts of the 79th Legislature, Regular Session, 2005, is reenacted  
22 and amended to read as follows:

23 (a) Money in the fund may be used only to implement and  
24 administer programs established under the plan and shall be  
25 allocated as follows:

26 (1) for the diesel emissions reduction incentive  
27 program, 64 percent of the money in the fund, of which ~~not more~~

1 ~~than four percent may be used for the clean school bus program and]~~  
2 not more than 10 percent may be used for on-road diesel purchase or  
3 lease incentives;

4 (2) for the new technology research and development  
5 program, 33 percent of the money in the fund, of which up to  
6 \$250,000 is allocated for administration, up to \$200,000 is  
7 allocated for a health effects study, \$500,000 is to be deposited in  
8 the state treasury to the credit of the clean air account created  
9 under Section 382.0622 to supplement funding for air quality  
10 planning activities in affected counties, not less than 10 percent  
11 is to be allocated each year to support research related to air  
12 quality for the Houston-Galveston-Brazoria and Dallas-Fort Worth  
13 nonattainment areas by a nonprofit organization based in Houston of  
14 which \$216,000 each year shall be contracted to the Energy Systems  
15 Laboratory at the Texas Engineering Experiment Station for the  
16 development and annual calculation of creditable statewide  
17 emissions reductions obtained through wind and other renewable  
18 energy resources for the State Implementation Plan, not less than  
19 25.5 percent is to be allocated each year to that nonprofit  
20 organization based in Houston to be used to implement and  
21 administer the new technology research and development program  
22 under a contract with the commission for the purpose of  
23 identifying, testing, and evaluating new emissions-reducing  
24 technologies with potential for commercialization in this state and  
25 to facilitate their certification or verification, not more than  
26 \$12,500,000 is to be allocated each year from any excess funds to be  
27 administered by the commission to fund a study of regional ozone

1 formation in this state, meteorological and chemical modeling, and  
2 issues related to ozone formation by ozone precursors and fine  
3 particulate matter formation in this state, and the balance is to be  
4 allocated each year to the commission to fund promising new  
5 technologies as identified through the new technology research and  
6 development program and recommended by that nonprofit organization  
7 based in Houston in order to permit obtaining the maximum credits  
8 for emissions reductions under the state's air quality state  
9 implementation plans; and

10 (3) for administrative costs incurred by the  
11 commission and the laboratory, three percent of the money in the  
12 fund.

13 SECTION 3. Subsection (c), Section 386.252, Health and  
14 Safety Code, is amended to read as follows:

15 (c) Notwithstanding Subsection (a), money [Money] in the  
16 fund that is not appropriated for the purposes provided by that  
17 subsection may be appropriated for [allocated to] the clean school  
18 bus program established under Chapter 390 [only if:

19 ~~[(1) the money is available for that purpose after~~  
20 ~~money is allocated for the other purposes of the fund as required by~~  
21 ~~the state implementation plan; or~~

22 ~~[(2) the amount of money deposited to the credit of the~~  
23 ~~fund in a state fiscal year exceeds the amount the comptroller's~~  
24 ~~biennial revenue estimate shows as the comptroller's estimated~~  
25 ~~amount to be deposited to the credit of the fund in that year].~~

26 SECTION 4. Section 390.001, Health and Safety Code, is  
27 amended by adding Subdivision (6) to read as follows:

1           (6) "School bus" has the meaning assigned by Section  
2 541.201, Transportation Code.

3           SECTION 5. Section 390.002, Health and Safety Code, is  
4 amended by amending Subsection (b) and adding Subsections (c) and  
5 (d) to read as follows:

6           (b) Projects that may be considered for a grant under the  
7 program include:

8           (1) [~~diesel oxidation catalysts for school buses built~~  
9 ~~before 1994,~~

10           [~~(2)~~] diesel particulate filters for school buses built  
11 from 2000 to 2006 [~~1994 to 1998~~];

12           (2) closed crankcase filtration systems to eliminate  
13 diesel exhaust emitted from the engine crankcase for school buses  
14 built from 1992 to 2006;

15           (3) the purchase and use of other [~~emission-reducing~~]  
16 add-on equipment for school buses that has been verified by the  
17 United States Environmental Protection Agency or the California Air  
18 Resources Board as effective in reducing emissions [~~, including~~  
19 ~~devices that reduce crankcase emissions~~];

20           (4) replacement of school buses built before 1994 that  
21 would not otherwise be replaced before September 1, 2011 [~~the use of~~  
22 ~~qualifying fuel~~]; and

23           (5) other technologies that the commission finds will  
24 bring about significant emissions reductions.

25           (c) In determining whether school buses would not otherwise  
26 be replaced before the date provided by Subsection (b)(4), the  
27 commission shall consider reasonable school bus replacement

1 schedules as determined by the commission in consultation with the  
2 Texas Education Agency. A grant under that subsection may not  
3 exceed 50 percent of the cost of replacement of each school bus for  
4 which the grant is made.

5 (d) The legislature intends for the program to result in the  
6 maximum reduction of emissions of diesel exhaust from the school  
7 bus fleet of this state for the duration of the program. In making  
8 grants in the state fiscal biennium ending August 31, 2009,  
9 preference shall be given to grants for the installation of closed  
10 crankcase filtration systems on all eligible school buses and to  
11 grants for the installation of diesel particulate filters on the  
12 oldest eligible school buses. The program is not intended to  
13 substitute for the normal schedule for replacing buses in this  
14 state's fleet of school buses.

15 SECTION 6. Subsections (a) and (b), Section 390.003, Health  
16 and Safety Code, are amended to read as follows:

17 (a) The following entities [~~A school district in this state~~  
18 ~~that operates one or more diesel-fueled school buses or a~~  
19 ~~transportation system provided by a countywide school district]~~ may  
20 apply for and receive a grant under the program:

21 (1) a school district in this state that operates one  
22 or more diesel-fueled school buses;

23 (2) a transportation system provided by a countywide  
24 school district; or

25 (3) an entity that provides school bus service under a  
26 contract with a school district or with the parents of school  
27 children who are enrolled in a public elementary or secondary

1 school and who ride on the entity's buses.

2 (b) The commission may adopt guidelines to allow a regional  
3 planning commission, council of governments, or similar regional  
4 planning agency created under Chapter 391, Local Government Code,  
5 [~~or~~] a private nonprofit organization, or a regional education  
6 service center to also apply for and receive a grant to improve the  
7 ability of the program to achieve its goals.

8 SECTION 7. Subsection (a), Section 390.004, Health and  
9 Safety Code, is amended to read as follows:

10 (a) The commission by rule shall establish criteria for  
11 setting priorities for projects eligible to receive grants under  
12 this chapter. The criteria must be consistent with Section  
13 390.002(d). The commission shall review and may modify the  
14 criteria and priorities as appropriate.

15 SECTION 8. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2007.